

REPORT OF THE SUPERVISORS



Wu Yu Ting Chairman of Supervisory Committee

To the shareholders:

In 2000, the Supervisory Committee assumed office in accordance with the “Company Law of the People’s Republic of China” and the “Articles of the Association”. Bearing in mind their mission to be responsible for all shareholders, all members of the Supervisory Committee performed their duties conscientiously, and focused on job monitoring. The Chairman of the Supervisory Committee attended Board meetings and participated in the decision-makings of the Company. In order to enhance the Company’s economic efficiency and to protect shareholders’ rights, the Committee has provided opinions and suggestions regarding the decisions and operation management of the Board of Directors.

The Supervisors have carefully examined the operating report and profit appropriation scheme for year of 2000. Arthur Andersen & Co. certified the financial statement gave a true and fair view of the state of affairs of the Company. The Supervisors found that the accounts were properly kept. The auditing and financial management of the Company were prepared in accordance with accounting principles of the People’s Republic of China and generally accepted accounting principles of Hong Kong, as well as the “Accounting Regulations for Selected Joint Stock Enterprises” issued by the State Ministry of Finance.

The Supervisors found no inaccuracy during the examination.

The Supervisors considered that the Directors and other senior management had exercised their duties in good faith, strictly adhered to State laws and regulations, and acted in accordance with the Company’s articles and best interests. The Directors and other senior management conducted duties in a proper and legal manner and have not contravened the Company’s articles, nor have they abused their powers or caused damage to the interests of the Company, its shareholders or the staff. With the full support and dedication from all of its staff, the Company will further develop and perfect its unique management pattern and corporate culture with the reinforced core competitiveness.

In accordance with the “Company Law of the People’s Republic of China” and “Articles of the Association”, with a view to safeguard investors’ interests, the Supervisory Committee will devote its efforts to work hard to satisfy share holders’ expectations, and continue to perform its duties conscientiously and industriously. The Committee would like to extend its highest regard to all share holders and employees of the Company for their attention to, and support of the work of the Supervisory Committee during the year.

Chairman of Supervisory Committee

Wu Yu Ting

April 16th, 2001

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Director

Mr. Li Gui Rong, aged 61, is the Chairman of the Company. Mr. Li has served as the Deputy Director and the Director of the Qingdao Municipal Planning Commission. In June 1996, Mr. Li joined the Company and became the Chairman of the Company. Mr. Li has been undertaking business management and economic management responsibilities for many years. He is knowledgeable on the State economic policies and regulations and has broad experience in corporate and business management.

Mr. Peng Zuo Yi, aged 55, is the Vice-Chairman and General Manager of the Company. Mr. Peng has served as the Manager of Qingdao Food Factory No.2 and the Chairman as well as General Manager of Qingdao Food Group Company. In June 1996, he became the Vice-Chairman and General Manager of the Company. Mr. Peng has more than 30 years of experience in corporate management and marketing.

Mr. Liu Ying Di, aged 44, is a Director and the Deputy General Manager of the Company and has served as the Deputy Manager of Tsingtao Brewery. Mr. Liu has more than 20 years of experience in the production, technical and operational management of enterprises. He is a senior engineer.

Mr. Sun Yu Guo, aged 46, is the Director and Deputy General Manager of the Company. He had been Deputy Department Head of Finance Bureau and Department Head of State Asset Administration Bureau of Qingdao. Mr. Sun has been engaging in financial work for more than 20 years and has extensive experience in financial management. He is a chartered accountant and chartered evaluation accountant.

Mr. Qi Feng, aged 46, is the Non-Executive Director of the Company. He is the Deputy General Manager of the Bank of China, Shandong Province Branch. Mr. Qi has served as the General Manager and Deputy General Manager of the Bank of China, Jinan Branch, and Assistant General Manager of the Bank of China, Hong Kong and Macau Office. Mr. Qi has served Bank of China for many years and gained more than 20 years of experience in financial management. He is an economist.

Mr. Chu Zhen Gang, aged 52, is the Non-Executive Director of the Company. He is the General Manager of Qingdao Enterprise Investment Company. Mr. Chu was the Deputy Manager of Qingdao Energy Company, the Deputy Head and Head of the Planning Management Office of Qingdao Economic Commission, Deputy Di-

rector of Qingdao Municipal Economic Commission and the Deputy Head of Southern District of Qingdao. Mr. Chu has more than 20 years of experience in corporate and economic management.

Mr. Yu Fu Zhong, aged 67, is an independent Non-Executive Director of the Company. He was the Deputy General Manager of People's Bank of China, Qingdao Branch, and the General Manager of the Industrial and Commercial Bank of China, Qingdao Branch. Mr. Yu has more than 40 years of experience in financial management and is a senior economist.

Mr. Wu Hai Hua, aged 33, is an independent Non-Executive Director of the Company. He is the Head of the Finance Faculty and the Deputy Head of the International Commerce Faculty of Qingdao University. Mr. Wu is a Professor in Finance. Prof. Wu studied in Hunan Economics and Finance College, Economics Faculty of Wuhan University and holds the Doctor of Economics degree. Prof. Wu is now the part-time Professor of People's University and the member of Economics and Finance Committee of Qingdao Municipal People's Congress and also the member of Profession Consultative Committee of Qingdao.

Mr. Larry L.K. Kwok, aged 45, is an independent Non-Executive Director of the Company. He is Partner of the Kwok & Yih Solicitors. Mr. Kwok is the solicitor of Hong Kong, Australia, England and Singapore and the certified public accountant in Hong Kong and Australia. Mr. Kwok has broad experience in securities and corporate finance. Mr. Kwok resigned from the position of independent Non-Executive on March 23, 2001.



PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONT'D)

Supervisors

Mr. Wu Yu Ting, aged 55, is the Chairman of the Supervisory Committee. Mr. Wu has been involved in supervisory work and corporate accounting for many years. He was the Head and the Deputy Head of Qingdao Discipline and Inspection Commission and the Deputy Head of Supervisory Bureau. He joined the Company in April, 1998. Mr. Wu gained broad experience in law knowledge and accounting supervisory.

Ms. Jiang Hong, aged 44, is a Supervisor of the Company. Ms. Jiang was the Department Head of the Production Department of the Company, the General Manager of Tsingtao Brewery Factory No. 2, and is now the Assistant to the General Manager and the Department Head of the Corporate Management Department of the Company. She has broad experience in brewery production and management and is a senior economist.

Mr. Yu Jia Ping, aged 38, is a Supervisor of the Company. Mr. Yu was the Deputy General Manager of Tsingtao Brewery Malting Plant, the Deputy Head of Development Department of the Company, Deputy General Manager of Tsingtao Brewery Factory No. 1, General Manager of Tsingtao Brewery Factory No. 2, and is now the General Manager of Tsingtao Brewery Factory No. 1. He has broad experience in brewery management.

Mr. Liu An Tong, aged 59, is a Supervisor of the Company. Mr. Liu was the Division Head and Head of the Construction Bank of China, Qingdao Branch and is now the Secretary to Qingdao Discipline and Inspection Commission. Mr. Liu gained broad experience in accounting supervisory and financial fields.

Ms. Pan Gui Rong, aged 51, is a Supervisor of the Company. Ms. Pan was the Division Head of the Audit Division of Qingdao Decoration Clothing Factory, and is now the Head of Qingdao Audit Firm. She is a senior auditor and chartered accountant. Ms. Pan has many years of experience in corporate finance auditing.

Mr. Liu Qing Yuan, aged 52, is a Supervisor of the Company. Mr. Liu was the solicitor of the Southern District Law Firm of Qingdao, and is now the Director of Qingtao Tianhe Law Firm. He has many years experience in legal field.

Senior Management

Mr. Teng An Gong, aged 50, Chairman of Labour Union of the Company. Mr. Teng was the Deputy Head and Deputy Director of the Policy Research Unit of Qingdao Party Committee. He joined the Company in 1997 and gained broad experience in political and legal fields.

Mr. Liu Cheng Qiang, aged 54, is the Deputy General Manager of the Company. Mr. Liu was the Deputy General Manager of the Tsingtao Brewery factory and the General Manager of the Tsingtao Brewery Factory No. 1, and has many years of experience in production management.

Mr. Fan Wei, aged 41, is the Chief Engineer of the Company. Mr. Fan was the Deputy General Manager and the Chief Engineer of the Tsingtao Brewery Factory No. 2. He is a senior engineer and has more than 10 years of experience in the production and technical management aspects of brewery industry.

Ms. Yan Xu, aged 36, is the Deputy General Manager of the Company. Ms. Yan was the Assistant to the General Manager and Director & Deputy General Manager of the Zhujiang Brewery Group. Prior to joining the Company in January 1999, Ms. Yan has been undertaking beer sales and marketing management, and gained broad experience in marketing .

Mr. Sun Ming Bo, aged 44, is the Deputy General Manager of the Company. Mr. Sun was the Deputy General Manager and Chief Engineer of Tsingtao Brewery Factory No. 1, and the Assistant to General Manager and Deputy Chief Engineer of the Company. He gained broad experience in beer production and management. He is a senior engineer.

Mr. Zhang Xue Ju, aged 46, is the Deputy General Manager, the Secretary to the Board of the Company, and also the Sales Manager. He was the Head of the Finance Department of the Company and has more than 10 years of experience in corporate management and marketing .

Ms. Yuan Lu, aged 45, is the Secretary to the Board of the Company. Ms. Yuan has extensive experience in her position and investor relations and is the director of the Secretary office of the Board of Directors at present.